

OPEN MEETING AGENDA ITEM  
BEFORE THE ARIZONA CORPORATION CC



BOB STUMP  
CHAIRMAN  
GARY PIERCE  
COMMISSIONER  
BRENDA BURNS  
COMMISSIONER  
BOB BURNS  
COMMISSIONER  
SUSAN BITTER SMITH  
COMMISSIONER

Arizona Corporation Commission

DOCKETED

AUG 20 2014

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AZ CORP COMMISSION  
DOCKET COMMISSIONER

2014 AUG 20 PM 3 18

IN THE MATTER OF SULPHUR SPRINGS  
VALLEY ELECTRIC COOPERATIVE, INC.'S  
APPLICATION FOR APPROVAL OF THE  
2014 NET METERING TARIFF WITH THE  
UPDATED AVOIDED COST AND  
PROPOSED TARIFF MODIFICATIONS

Docket No. E-01575A-14-0232

ORIGINAL

**RUCO'S COMMENTS TO STAFF'S MEMORANDUM AND PROPOSED FORM  
OF ORDER**

The Residential Utility Consumer Office ("RUCO") offers the following comments to Staff's Memorandum and Proposed Form of Order dated August 12, 2014.

Sulphur Springs Valley Electric Cooperative, Inc. ("Sulphur Springs" or "Company") is a relatively small electric service provider. However, the Company is requesting a major change to the Commission's approach to net metering. RUCO is not referring to the Company's update of the avoided cost or the elimination of the March True-up – neither of which RUCO opposes. RUCO is referring to the Company's request to place a new charge (the Fixed Cost Recovery Fee) on all existing and future solar customers.

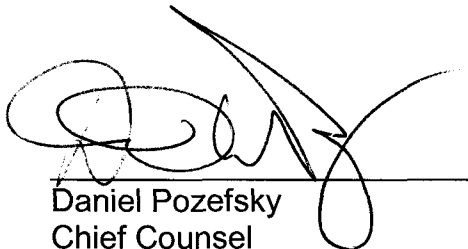
The Commission could not have been clearer in November 2013, when it heard APS' application to modify its net metering charge, that pre-existing customers should not have their net metering rate changed. After all, these customers were enticed by the utility to obtain a PV system, as such, APS' net metering proposal provided for the grandfathering of existing

1 customers. APS even stated publically that it thought that existing customers should have  
2 been grandfathered. Ultimately the Commission did not per se "grandfather" existing  
3 customers in the November Open Meeting because the Commission did not want to tie the  
4 hands of future Commissions. The Commission did make it clear, at least with regard to the  
5 current Commission, that it did not intend any changes to the net metering rate to affect any of  
6 the then current solar customers.

7 Likewise, the changes that the Commission makes to the net metering rate in the  
8 present docket should not affect current customers. Such a change would be completely  
9 inconsistent with the clear policy that the Commission stated back in November, 2013.  
10 Moreover, for the same reasons stated in the earlier proceeding it would be unfair to change  
11 the solar customer's rate when they relied on that rate in making their decision to go solar.  
12 Perhaps most importantly, such an abrupt change in policy before the conclusion of the  
13 Commission's dockets investigating the value of distributed generation, emerging technologies  
14 and rate design is clearly premature. Finally, if the Commission were inclined to consider  
15 going against Staff's recommendation on the LFCR charge. RUCO requests that the matter be  
16 held over, and a procedural process be established which would include a hearing and an  
17 opportunity for interested parties to intervene and participate. RUCO appreciates the  
18 Commission's consideration of this matter.

19 RESPECTFULLY SUBMITTED this 20<sup>th</sup> day of August, 2014.

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Daniel Pozefsky  
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES  
2 of the foregoing filed this 20th day  
3 of August, 2014 with:

4 Docket Control  
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